

**Comcast Cable Franchise
Questions and Answers**
Prepared by MACC
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Q1: What is MACC?

- A: Your jurisdiction is a member of the Metropolitan Area Communications Commission – a fifteen member joint powers organization. MACC was created in 1980 to provide a centralized agency to prepare for, negotiate and administer cable television franchises. On behalf of the member jurisdictions, in accordance with its Intergovernmental Agreement (IGA), MACC provides the daily management of the area's cable franchises (Comcast and Frontier), including:
- Finance - Franchise fee collection, audits, insurance and bonds
 - Centralized Customer Service Regulation – all complaint calls should come to MACC
 - TVCTV's Public and Government Access programming services – a division of MACC
 - General administration and compliance with Federal cable television franchising rules
 - Coordination of the Public Communications Network (PCN)

Q2: How does MACC operate?

- A: Each member jurisdiction is an equal partner in MACC. Jurisdictions appoint a MACC Commissioner who participates, reviews and recommends new and renewed cable television franchises along with other administrative chores. When MACC recommends a cable franchise, the MACC IGA requires that every member jurisdiction approve the franchise in order to make it effective. Each MACC jurisdiction, from the smallest (Gaston) to the largest (Washington County) has one vote.

Q3: How are cable television franchise negotiations different than other negotiations?

- A: Incumbent Cable Operators, such as Comcast, have the right to renew their franchise through negotiation. While there are certain limiting federal laws and requirements, a company already in the Right of Way has rights to continue service unless it has failed to perform, or it will not meet the demonstrated needs of the communities it serves.

Federal law provides a lengthy and somewhat costly three-year renewal window. By combining resources in MACC, the renewal process is more affordable and effective for the member jurisdictions. MACC began preparations for franchise negotiation in 2011 and began negotiations in 2013. Negotiations took 28 months to complete.

Q4: What benefits does the Comcast franchise provide my jurisdiction?

- A: The primary benefits are financial, reduced-cost connectivity and customer service regulation:
- The 5% franchise fee paid by Comcast provides about \$6.5million to the member jurisdictions each year. The Franchise provides for continued fee review and audit functions by MACC.
 - PCN service costs are reduced - small jurisdictions retain complimentary PCN connectivity.
 - Public Meeting coverage through TVCTV is secured, and upgraded to High Definition (HD).
 - The PEG/PCN Fee (currently \$1/month) is reduced to 80¢/month.
 - Complementary TV service will still be provided to public buildings.

Q5: What is non-negotiable in a cable television franchise?

A: Federal Law restricts local governments from negotiating:

- Rates for service or equipment.
- Programming – either including or excluding any particular channel.
- The type of technology a cable operator uses to transmit its signals.
- Franchise provisions re: Comcast's Internet services.
- And, the amount of the franchise fee is capped under the Cable Act at 5% of Gross Revenue.

Q6: How does this franchise address competition issues?

A: In every way possible, Comcast and MACC tried to ensure a level playing field in the recommended franchise. Cable television is an increasingly competitive environment, with new options and providers every day. Since the law is moving slower than the technology, cable companies, including Comcast, are insisting on a process to address unknown competitive situations.

This was one of the most difficult areas to resolve in negotiations. However, MACC has negotiated a limited commitment that addresses Comcast's concerns without undermining the rights and authority of the member jurisdictions.

Q6: When will the new Franchise be effective?

A: Once MACC certifies that all 15 MACC jurisdictions have approved the new Comcast Agreement, probably in early September, the new Comcast Franchise will be retroactively effective back to July 1, 2015

For additional questions about the renewal process, contact **Fred Christ**, MACC Administrator at **503-645-7365 x206** or at fchrist@maccor.org. MACC's website is at: www.maccor.org